

## EXHIBIT 7-A

### **2014 MEMORANDUM OF AGREEMENT AMONG THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE, CALIFORNIA AMERICAN WATER, AND MONTEREY PENINSULA WATER MANAGEMENT DISTRICT TO RELEASE WATER INTO THE CARMEL RIVER FROM SAN CLEMENTE RESERVOIR**

THIS AGREEMENT is made this 13th day of May, 2014, among the California Department of Fish and Wildlife, ("Department"), California American Water, ("Cal-Am"), and the Monterey Peninsula Water Management District, (the "District"), with respect to the following.

#### RECITALS

A. The Department is required to conserve and protect the fish and wildlife resources of this state and it is the Department's objective to maximize surface flows in the Carmel River below San Clemente Dam;

B. Cal-Am supplies water to the citizens of the communities of the Monterey Peninsula, Monterey County in accordance with SWRCB Order No. 95-10, as amended.

C. The District, through its rules and regulations, establishes a quarterly water supply strategy and budget for the Monterey Peninsula.

#### **NOW THEREFORE, IT IS HEREBY AGREED:**

#### DEFINITIONS

1. "Minimum pool at Los Padres Reservoir" means a surface water elevation of 980 feet above mean sea level, or 105 acre feet of storage.

2. For operational purposes in 2014, "Minimum pool at San Clemente Reservoir" means a surface water elevation of 515 feet above mean sea level, or 71 acre feet of storage.

3. "Water Release by Cal-Am at San Clemente Dam" into the Carmel River may occur from seepage through the dam, direct release from the discharge ports, spillage over the crest of the dam or gates, leakage around the gates, releases through the fish ladder or any combination thereof.

#### DESIGNATION OF RESPONSIBILITIES

4. Cal-Am shall make water releases into the Carmel River channel beginning June 2014 as follows and summarized in **Attachment A**: Cal-Am shall maintain no less than 3.5 CFS (cubic feet per second) during June through December, 2014 at the Sleepy Hollow Weir.

5. Cal-Am shall not divert water at the San Clemente Dam during low-flow periods except during an emergency, which is defined in ordering Paragraph No. 1 of SWRCB Order WRO 2002-0002 (attached as **Attachment B**).

6. The Russell Wells shall be limited to a combined total instantaneous diversion rate of not more than 0.5 cfs during low-flow periods as set forth in ordering Paragraph No. 4 of SWRCB Order WRO-2002-0002 (**Attachment B** hereto).

7. In the event that a significant change in projected runoff occurs in the basin during the duration of this Agreement, the parties will meet to discuss modifications to the scheduled reservoir releases and diversion.

8. Cal-Am shall limit operation of its wells in the Carmel Valley above the Narrows during low-flow periods as set forth in ordering Paragraph No. 2 of SWRCB Order WRO 2002-0002 (**Exhibit B** hereto). Cal-Am shall notify the District and the Department of its maintenance pumping schedule in advance.

9. Cal-Am shall make reasonable efforts to operate the Lower Carmel Valley production wells in the sequence from the most downstream well and progress upstream as wells are needed and available for production. Cal-Am shall notify the District and the Department before operating its Scarlett No. 8 Well.

10. Cal-Am shall provide, upon request by the Department or the District, records of the Carmel Valley Filter Plant operation showing compliance with the provisions of this Agreement.

11. Cal-Am shall notify the District and the Department when the water elevation reaches 990 feet at Los Padres Reservoir or 520 feet at San Clemente Reservoir. Cal-Am shall not draw either reservoir below minimum-pool elevation without obtaining specific written approval from the Department. This requirement does not apply to annual drawdown at San Clemente Reservoir performed as part of Interim Safety Measures mandated by the California Division of Safety of Dams.

12. In the event that Cal-Am has not exceeded its annual production limit from both the Coastal Subareas of the Seaside Groundwater Basin and Carmel River sources, Cal-Am shall make every reasonable effort to produce water from the Coastal Subareas of the Seaside Basin before producing water from its Carmel River sources to preserve streamflow and instream habitat in the Carmel River for listed species, consistent with the production amounts specified in the Quarterly Water Supply Strategy and Budget for Cal-Am's main distribution system.

## **DISTRICT**

13. The District shall take direct measurements of inflow to Los Padres Reservoir on a monthly basis through the duration of this Agreement.

**ALL PARTIES**

14. This Agreement is revocable upon ten days' written notice to all parties signatory to this Agreement.

15. This Agreement is entered into without prejudice to the rights and remedies of any party to the Agreement.

**EFFECTIVE DATE AND TERM OF AGREEMENT**

16. This Agreement is effective June 1, 2014 and shall remain in force until December 31, 2014. This Agreement may be modified or extended by mutual consent of all the parties.

**EXECUTION**

IN WITNESS WHEREOF, each party hereto has caused this Memorandum of Agreement to be executed by an authorized official on the day and year set forth opposite their signature.

California American Water

By: \_\_\_\_\_  
511 Forest Lodge Road  
Pacific Grove, CA 93950

\_\_\_\_\_  
Date

Monterey Peninsula Water Management  
District

By: \_\_\_\_\_  
P.O. Box 85  
Monterey, CA 93942-0085

\_\_\_\_\_  
Date

California Department of Fish and  
Wildlife

By: \_\_\_\_\_  
1234 East Shaw Avenue  
Fresno, CA 93710

\_\_\_\_\_  
Date

**Attachment A [Version 3a] for EXHIBIT 7-A**

**2014 Low Flow Memorandum of Agreement & Quarterly Water Budget**

**Carmel River Reservoirs: Diversion and Release Schedule (All Values in Acre-Feet, except as indicated)**

Assuming Median Critically Dry Water Year Inflow Proportions Ramped Down from April WY 2014 & LPR Drawdown to 1,000' Elevation = 403 AF

| Month Represents Water Year Type of:        | Crit. D. | Crit. D. | Crit. D. | Crit. D. | Crit. D. | Crit. D. | Crit. D. | Crit. D. | Crit. D. | Crit. D. | Crit. D. | Crit. D. | Crit. D. | Crit. D. | Crit. D. |  |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--|
|   | Oct-13   | Nov-13   | Dec-13   | Jan-14   | Feb-14   | Mar-14   | Apr-14   | May-14   | Jun-14   | Jul-14   | Aug-14   | Sep-14   | Oct-14   | Nov-14   | Dec-14   |  |
| <b>Los Padres Reservoir</b>                 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| Inflow                                      | 136      | 205      | 305      | 244      | 783      | 2,736    | 1,062    | 610      | 274      | 22       | 1        | 3        | 41       | 222      | 538      |  |
| Outflow                                     |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| Evaporation                                 | 22       | 9        | 4        | 3        | 32       | 36       | 33       | 55       | 54       | 58       | 47       | 44       | 19       | 11       | 5        |  |
| Spillage                                    | 0        | 0        | 0        | 0        | 0        | 1,704    | 554      | 63       | 0        | 0        | 0        | 0        | 0        | 0        | 0        |  |
| Release (Fish Ladder)                       | 248      | 190      | 206      | 206      | 151      | 492      | 476      | 492      | 226      | 303      | 334      | 321      | 276      | 241      | 266      |  |
| Release (Outlet)                            | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |  |
| Release (Notch)                             | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |  |
| Total Storage                               |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| Beginning of Month                          | 669      | 535      | 541      | 636      | 671      | 1,271    | 1,775    | 1,775    | 1,775    | 1,769    | 1,430    | 1,050    | 688      | 433      | 403      |  |
| End of Month                                | 535      | 541      | 636      | 671      | 1,271    | 1,775    | 1,775    | 1,775    | 1,769    | 1,430    | 1,050    | 688      | 433      | 403      | 670      |  |
| <b>Between Reservoirs</b>                   |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| Inflow                                      | 0        | 0        | 0        | 11       | 91       | 725      | 383      | 42       | 0        | 0        | 0        | 0        | 0        | 0        | 60       |  |
| Outflow                                     |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| Evapotranspiration                          | 48       | 21       | 15       | 21       | 20       | 37       | 53       | 61       | 63       | 63       | 81       | 78       | 48       | 21       | 15       |  |
| Private Usage                               | 5        | 2        | 1        | 2        | 2        | 2        | 5        | 7        | 8        | 8        | 23       | 22       | 5        | 2        | 1        |  |
| <b>San Clemente Reservoir</b>               |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| Inflow                                      | 195      | 167      | 190      | 194      | 220      | 2,882    | 1,355    | 529      | 155      | 232      | 230      | 221      | 223      | 218      | 310      |  |
| Outflow                                     |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| Evaporation                                 | 5        | 2        | 2        | 2        | 6        | 9        | 9        | 15       | 13       | 13       | 11       | 9        | 4        | 3        | 4        |  |
| Spillage                                    | 0        | 0        | 0        | 0        | 0        | 2,723    | 0        | 64       | 0        | 0        | 0        | 0        | 0        | 0        | 0        |  |
| Diversion (Filter Plant)                    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |  |
| Release (Valve)                             | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |  |
| Release (Six Ports)                         | 129      | 105      | 126      | 130      | 136      | 0        | 1,066    | 387      | 148      | 157      | 158      | 152      | 158      | 155      | 245      |  |
| Release (Fish Ladder)                       | 0        | 0        | 0        | 0        | 0        | 44       | 222      | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |  |
| Leakage                                     | 61       | 59       | 61       | 61       | 58       | 61       | 59       | 61       | 59       | 61       | 61       | 59       | 61       | 59       | 61       |  |
| Total Storage                               |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| Beginning of Month                          | 71       | 71       | 71       | 72       | 72       | 93       | 137      | 135      | 137      | 71       | 71       | 71       | 71       | 71       | 71       |  |
| End of Month                                | 71       | 71       | 72       | 72       | 93       | 137      | 135      | 137      | 71       | 71       | 71       | 71       | 71       | 71       | 71       |  |
| Total Release                               | 190      | 164      | 187      | 191      | 194      | 2,829    | 1,347    | 512      | 208      | 219      | 219      | 212      | 219      | 215      | 306      |  |
| Mean Daily Release in cfs                   | 3.1      | 2.8      | 3.0      | 3.1      | 3.5      | 46.0     | 22.7     | 8.3      | 3.5      | 3.6      | 3.6      | 3.6      | 3.6      | 3.6      | 5.0      |  |
| Mean Daily Diversion in cfs                 | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      |  |
| Mean Daily Diversion in cfs (Russell Wells) | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      |  |

**Notes:**

- The minimum pool requirements at Los Padres and San Clemente Reservoirs are 105 acre-feet at elevation 980 ft and 71 acre-feet at elevation 515 ft, respectively.
- Projected inflows for the May - December 2014 period are based on the expectation that unimpaired flows at San Clemente Dam will represent proportional Monthly % flow declines for a median "Critically Dry" Water Year, reconstructed from unimpaired monthly historical flows (WY 1902-2012), and starting from a base of actual April 2014 outflow.
- Projected inflow to San Clemente Reservoir is distributed 100% above Los Padres Dam between June through November, and between Los Padres and San Clemente Dam flows are estimated in May as 50% of actual starting inflows.
- Estimated evaporation from LPR/SCR is based on average monthly reservoir surface area and gross monthly evaporation rates developed by the US Army Corps of Engineers (1981).
- Releases and diversions are consistent with terms of the 2001 and 2006 Conservation Agreements between the NMFS and Cal-Am and with the conditions in SWRCB Order Nos. 95-10, 98-04, 2002-0002, and 2009-0060.
- Numbers in **Bold** type are final reported numbers, and those in *Italics* are future estimates.

## Excerpt: Condition No. 1

STATE OF CALIFORNIA  
STATE WATER RESOURCES CONTROL BOARD

## ORDER WRO 2002 – 0002

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In the Matter of Reconsideration of WR Order 2001-04-DWR  
Implementing Condition 6 of Order WR 95-10 as Modified by  
Order WR 98-04 Regarding Diversions by  
California-American Water Company

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SOURCE: Carmel River

COUNTY: Monterey

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## ORDER RECONSIDERING WR ORDER 2001-04-DWR

IT IS FURTHER ORDERED that Cal-Am shall comply with Condition 6 of Order WR 95-10, as modified by Order WR 98-04 as follows:

1. Cal-Am shall immediately upon issuance of this order cease withdrawal of water from the San Clemente Dam during low flow periods except during an emergency. "Emergency" means a system failure such as a pump failure, main breaks or fires, that jeopardizes the public health and safety. Hot weather demand alone shall not *per se* be an "emergency," but it is recognized that after taking appropriate conservation measures, if levels in the Clear Well fall below nine feet from the bottom of the tank, an emergency may exist and diversions at San Clemente or the utilization of other facilities may be necessary. Nine feet from the bottom of the tank is a minimum requirement established by California Department of Health Services regulations. In all cases, diversions at San Clemente Dam or the utilization of other facilities shall be undertaken in a manner that is least damaging to the fishery resources, and these emergency operations shall be for the shortest practicable time. Cal-Am shall notify and consult with NMFS, FWS, DFG, and the District prior to implementation of emergency operations. If there is no time for consultation, Cal-Am shall notify NMFS, FWS, DFG, and the District of its emergency operation as early as practicable within eight (8) hours after Cal-Am first becomes aware of the emergency. Cal-Am shall notify, by telephone or telefax, the Chief of the Division of Water Rights within 24 hours of the emergency or by noon of the first business day following the incident. For the purpose of this Order, "low flow periods" are defined as times when stream flow in the Carmel River at the Don Juan Bridge (RM 10.8) gage is less than 20 cfs for five consecutive days. Pursuant to its continuing authority over the public trust, the SWRCB may amend this order to modify the definition of "low flow periods" or to add additional flow requirements to protect steelhead in the Carmel River. The Chief of the Division of Water Rights (Chief) is delegated the authority to modify the definition of "low flow periods" and the authority to add flow requirements based on new information, after finding that any proposed change to the order would better protect steelhead in the Carmel River. The Chief is also delegated the authority to modify the flow requirements of this order, in response to any changes in the requirements imposed under the Endangered Species Act, as necessary to prevent this order from being in violation of the Endangered Species Act or unreasonably interfering with efforts to comply with the Endangered Species Act. Prior to making the finding and prior to making any change to the order, the Chief shall provide notice to the parties to this hearing and give them an opportunity to comment on the proposed change.